

THE INTENSIFIED MEMBERSHIP ENFORCEMENT & COLLECTION CAMPAIGN'S 6-MONTH PENALTY CONDONATION PERIOD FOR DELINQUENT/UNREGISTERED EMPLOYERS

HDMF CIRCULAR NO. 299, November 23, 2011

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/a0da061a298c/>

In line with the Intensified Membership Enforcement & Collection Campaign (IMECC) of the Fund, which includes a practicable registration and settlement process and pursuant to Section 13 (q) of Republic Act No. 9679, or the Home Development Mutual Fund Law of 2009, allowing the Fund to “compromise and release, in whole or in part, any interest, penalty, or civil liability to the fund in connection with the collection of contributions and lending operations of the Fund” the guidelines for the IMECC’s 6-month penalty condonation period for delinquent/unregistered employers are hereby issued:

I. OBJECTIVES

1. To promote and protect the interest of existing and potential members;
2. To compel unregistered employers to register with the Fund;
3. To compel employers with membership contribution arrearages to settle their obligations with the Fund; and
4. To compel said employers to deduct the membership contributions of their employees and remit the same to the Fund, together with the employer counterpart.

II. COVERAGE

This program shall cover unregistered and delinquent employers.

This shall also cover employers who have coverable employees from whom they did not collect membership contributions from. In such cases, they may apply for penalty condonation on the employer counterpart contributions of those particular employees.

III. EXCLUSION FROM COVERAGE

These guidelines shall not include the following:

1. Employers who collected membership contributions and/or STL amortization payments from their respective employees but failed to remit the same to the Fund;
2. Employers who have previously availed of any penalty condonation offered by the Fund.

IV. MECHANICS

1. All employers (unregistered and existing) shall be required to register with the Fund through its Online Employer Registration System prior to applying for penalty condonation.
2. Upon application for penalty condonation, employers are required to remit contributions (EE + ER) of current employees for the current remittance period and every month thereafter. Otherwise, the corresponding penalty charges shall apply.

3. All penalties of employers whose application for penalty condonation has been approved shall be condoned.

3.1 Employers shall be required to pay all employer counterpart arrearages as of approval of application, as well as dividends that said arrearages could have earned. Remittances shall be made in full within thirty (30) days from approval of application for penalty condonation. Otherwise, said approval shall be forfeited.

3.2 An employer who signified intent to pay in full but later on opted for a plan of payment must submit his plan of payment not later than the 25[th] day from the date of approval of application for penalty condonation. Otherwise, said approval shall be forfeited.

4. Employers with existing plans of payment may avail of this penalty condonation for the remaining term of the said plan of payment. The penalties that they have paid before approval of their application for this program shall not be refunded or reversed.

5. Employers whose applications for penalty condonation under these guidelines are disapproved shall be required to pay all membership contribution arrearages including applicable penalties, interest, and dividends, if any. Otherwise, corresponding legal actions shall be carried out against them.

V. APPLICATION FOR PENALTY CONDONATION

1. Eligible employers may avail of this program beginning January 01, 2012 until June 30, 2012.

2. Application must be filed not later than June 30, 2012.

3. Only applications with complete documents shall be accepted and processed.

4. Applications shall be approved/disapproved not later than two (2) months from submission of complete documents.

VI. PLAN OF PAYMENT

1. If full remittance cannot be made, an employers may submit a plan of payment within seven (7) days from approval of application for penalty condonation. Said plan of payment shall be subject to the Fund' approval in accordance with the approved level of authorities.

2. Eligible employers with an approved plan of payment shall be granted full condonation of penalties. However, in case of failure to comply with said plan of payment, all of their penalties shall be re-imposed.

3. The period of settlement shall not exceed the following:

- a. Twenty four (24) months for employers with at least 100 employees at the time of application.
- b. Sixty (60) months for employers with less than 100 employees at the time of application.

4. The remaining membership contribution arrearages shall earn an interest of half a percent (0.5%) per month.

5. Payments shall commence exactly one month from the date of approval of application for penalty condonation.

6. The employer shall issue the corresponding number of post-dated checks (PDCs) to cover the approved plan of payment.

7. Should there be any violation by the employer on the approved plan of payment, all of their penalties shall be re-imposed. Further, appropriate civil and/or criminal actions shall be filed against the delinquent employer. In addition, should the employer fail to collect and/or remit the employee and employer contributions due for the current period, the same shall be charged a penalty of 1/10 of 1% of the amount due per day of delay.

VII. APPROVING AUTHORITY

1. Applications shall be approved in accordance with the following levels of authority;

Amount of Penalties to be Condoned

Level of Authority

Up to P1M

Department Manager III

Over P1M to P2M

Group Vice President

Over P2M to P5M

Senior Vice President – Provident Operations/Deputy Chief Executive Officer – Regional Operations

Over P5M to P40M

Deputy Chief Executive Officer – NCR Operations/Deputy Chief Executive Officer – Regional Operations

Over P40M

Chief Executive Officer

2. Any deviations to these guidelines shall be subject to the approval of the Senior Management Committee (SMC).

VIII. OTHER PROVISIONS

1. Eligible employers who fail to avail of this program shall continue to incur penalties on their unremitted contributions and shall be held criminally liable and prosecuted in accordance with the penal provisions of RA 9679.
2. Affected members whose employers shall comply with the guidelines shall be entitled to loan benefits, subject to the eligibility criteria of the prevailing loan guidelines at point of application.
3. The employee shall pay the dividends on the employer contributions that their employees should have earned had the same been remitted on time.

IX. REPEAL

All rules and regulations, policies, orders and issuances contrary to or inconsistent with these guidelines are hereby repealed or modified accordingly.

X. PUBLICATION

These guidelines shall be published once on a newspaper of general circulation and shall be posted on the HDMF website until expiration of said guidelines. The same shall also be provided to the Office of the National Administrative Register (ONAR).

XI. EFFECTIVITY

These guidelines shall take effect on January 1, 2012.

Adopted: 23 November 2011

(SGD.) ATTY. DARLENE MARIE B. BERBERABE

Chief Executive Officer

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